

GERMANS PREPARE TO YIELD AT LAST POSSIBLE MOMENT

No Occasion Likely to Arise for Use of Force, Dr. Simons Intimates, on Receiving Ultimatum.

FOLLOWS SPA TACTICS

Allies Demand Whole of 226 Billion Gold Marks or Invasion of Rhineland Monday.

ROOM FOR NEGOTIATIONS

If Berlin Accepts Total, Then Means of Payment, Export Tax and American Aid May Be Discussed.

Special Cable to THE NEW YORK HERALD. Copyright, 1921, by THE NEW YORK HERALD. New York Herald Bureau, London, March 3.

Germany must accept the total of the Paris agreement—226,000,000,000 gold marks—as her debt to the Allies by noon Monday or suffer the penalties envisaged in the Paris agreement, whereunder as the first step the French will move forward and occupy the towns of Duisburg, Ruhrort and Düsseldorf promptly at the expiration of the time limit.

This is the meaning of the ultimatum delivered to the Germans to-day at the momentous session in St. James's Palace, making a climax, from the allied viewpoint, of almost two years of attempted evasion of the Versailles treaty. But despite the solemn character of this ultimatum, behind which apparently lay the united determination of the Allies, and its unimpassioned reception by the Germans, hopes are running high to-night that it is but the preliminary of further negotiations and eventual settlement.

Even the French to-night are inclined to this opinion, though orders have been issued for the French army to advance into the Ruhr Monday afternoon according to the carefully prepared schedule. These hopes to-night are based on the amounts dividing the reparations payment estimates of the two parties—11,000,000,000 marks according to one computation and 23,000,000,000 marks according to another—and by very significant remarks made by Dr. Walter Simons, German Minister of Foreign Affairs, at the conclusion to-day of Premier Lloyd George's speech delivering the ultimatum and summing up the allied position.

No Need of Force, Says Simons.

"The British Prime Minister," said Dr. Simons on the conclusion of this declaration of the conquerors to the conquered, "has evidently mistaken the intentions of the German Government. In our opinion," he continued amid the solemn stillness which had fallen upon the conferees, "no occasion would arise for the sanctions [penalties] imposed by the treaty for Germany's not living up to its provisions" stated by the allied Powers.

The impression left on the assembly by this curt but significant rejoinder to Premier Lloyd George's masterful presentation of the allied resentment at the German counter proposal was that the Germans, following their practice at the original peace conference and at the Spa meeting, were preparing once more to bow before force majeure and accept the allied dictation as to the sum they must pay to repair the ravages they had wrought, rather than submit to the occupation of the Ruhr towns and the forcible collection of the debt with all its potential consequences.

Lloyd George's Ultimatum.

Mr. Lloyd George in his ultimatum said: "Unless we hear by Monday that Germany is either prepared to accept the Paris decision or submit proposals which will in other ways equally satisfactory discharge her obligations under the Treaty of Versailles we shall from this date take the following course under the treaty:

"First—Occupation by the allied troops of Duisburg-Düsseldorf and Ruhrort.

"Second—Legislation by the respective Parliaments requiring the nationals to pay a certain proportion of all money due Germany on German goods to their several governments, such proportion to be retained on account of reparations. This is in respect to goods purchased either in this country or any allied country from Germany.

"Third—Amount of duties collected by German custom houses on the external frontiers of the occupied territories to be paid to the Reparation Commission. These duties to continue to be levied in accordance with the German tariff, a 25 per cent custom house to be established temporarily on the Rhine and at boundary bridgeheads occupied by allied troops, the tariff to be levied on this line both on the entry and export of goods, to be determined by the High Commissioner in the Rhine territory in conformity with instructions of the allied governments."

The Premier explained that the second sanction provided for a deduction from the purchase value of any goods bought from Germany by allied countries. A certain proportion will be paid into the exchequer here and the balance forwarded to Germany with ex-

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BERLIN MOVE TO SLICE OFF 20 BILLION MARKS AS PAID IS CHIEF ISSUE AT LONDON

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THE difference between the reparations payments demanded by the Allies in the Paris accord and the German counter proposals made at the present conference in London can be briefly stated thus:

Allied reparations demands to be paid over a period of 42 years, 226,000,000,000 marks gold.

Germans say present value of this sum, if discounted, is 50,000,000,000 marks gold.

The Allies say if discounted the value is 53,000,000,000 marks gold.

To this statement the Germans privately agree, saying their 50,000,000,000 estimate is only a round figure.

Germans estimate what they already have paid in reparations, including coal, material, labor, shipping, etc., and for which they should have credit, is worth 20,000,000,000 marks gold.

The Allies say the German payments have amounted to only 12,000,000,000 marks gold and cannot be credited against reparations payments on the ground that the Paris accord figured the 226,000,000,000 marks gold exclusive of what had been paid.

The money difference therefore between the German proposals and the allied demands is 11,000,000,000 marks gold, if reparations already paid are included, and 23,000,000,000 if credits for all payments to date are excluded from the reparations total Germany must pay.

The difference existing over future treatment of the deferred payments of reparations is entirely a matter of negotiation as to interest rates, on which neither party has said its final word.

BRITISH PREMIER INDICTS GERMANY TO IGNORE TREATY

As Authorized Spokesman for the Allies He Refuses Counter Proposals.

MUST PAY FOR HAVOC

Lloyd George Declares That Reparation, Not Enslavement, Is Aim.

Special Cable to THE NEW YORK HERALD. Copyright, 1921, by THE NEW YORK HERALD. New York Herald Bureau, London, March 3.

Premier Lloyd George in his address to the German delegation here to-day on the refusal of the allied Powers to consider the German counter proposals on reparations declared that the attitude of Germany was a grave violation of Germany's obligations to the Allies. The full text of the Premier's address follows:

"Gentlemen: I have been asked by my colleagues in the British and the allied Governments to make a statement on their behalf in reply to the speech of Dr. Simons (German Foreign Minister) on last Tuesday, and to the document which he subsequently put in. The allied Governments consider the statement by Dr. Simons on behalf of the German Government as a definite challenge of the fundamental conditions of the Versailles treaty, and that they must be dealt with accordingly.

"The Paris proposals, following the line of the Bolognese and Brussels conferences, involve a substantial relaxation of the full demand of the treaty, both in respect to disarmament and reparations. These proposals were tendered in a spirit of concession to induce an amicable settlement with Germany.

Cannot Mock Treaty.

"The German counter proposals mock the treaty. The Allies have come to that conclusion not only from the character of the proposals, but also after a perusal of the speeches delivered by Dr. Simons in Germany after the Paris proposals and the support accorded those speeches by the German press and the Reichstag.

"One of the most serious statements made by him was contained in a speech he delivered, if I remember rightly, at Stuttgart, when he repudiated German responsibility for the war. This repudiation was proclaimed throughout Germany. Therefore, it may be taken to represent the real attitude of Germany toward the treaty. For the Allies, German responsibility is fundamental. It is the basis on which the structure of the treaty is erected, and if that acknowledgment is repudiated or abandoned the treaty is destroyed. The Allies, therefore, have to take into account the fact that the German Government, with the approval and support of German public opinion, is challenging the very foundation of the treaty of Versailles.

"Proposals such as those made by Dr. Simons simply are a necessary corollary to this new attitude. If Germany approaches her obligations in that frame of mind, such proposals are inevitable. We wish, therefore, once and for all time, to make it clear that German responsibility for the war must be treated by the Allies as a *chose jugée*. The treaty of Versailles, in 1917, was based on the assumption that France was wrong, and consequently Germany was not responsible for the war. The payment by France of the whole cost of the war, Germany would never permit France to challenge the verdict, and we must insist that the verdict regarding the late war, supported as it was by the declared assent of almost the whole civilized world, must be respected. Until Germany accepts that position and consents to interpret her obligations accordingly, conferences are futile.

Not to Enslave Germany.

"A perusal of the speeches delivered in Germany and articles appearing in the German press has driven me very reluctantly to the conclusion that Germany does not realize in the least the true character of the demands made on it. I have followed these speeches and newspaper articles very closely. The German people are under the impression that our demands are intolerable. I have followed these speeches and newspaper articles very closely. The German people are under the impression that our demands are intolerable. I have followed these speeches and newspaper articles very closely. The German people are under the impression that our demands are intolerable.

Planning to Meet Blockade.

But the Nationalists force developments in the east, which they say logically would throw Germany and possibly all Europe into a turmoil and invite a new blockade. With the possibility of this blockade in view they are already planning to name a food dictator whose work would be to stimulate German agricultural production by all means possible, and certainly by diverting a part of German industry to the manufacture of more fertilizer.

These bellicose predictions may not by any means represent what other parties in Germany are thinking to-day, although the situation is judged pessimistically on all sides.

Leaders of the moderate parties do not believe the Allies will try to enforce the new sanctions agreed on in Paris before May 1 and that meanwhile the excitement, which will last a fortnight, will have subsided.

The Democrats are now antagonistic

Continued on Fourth Page.

J. LE B. JOHNSON, EX-FIRE CHAPLAIN, PLUNGES TO DEATH

Body of Former Curate of Grace Church Found at 70 Fifth Avenue.

DROPPED 12 STORIES

Tragedy Recalls Marriage to Society Girl and Elopement With a Nurse.

LATTERLY IN OBSCURITY

Once Prominent Figure in City's Life Was Insurance Agent at End.

James Le Baron Johnson, once an assistant curate at Grace Church, husband of a society beauty whom he deserted, and the hero of New York youth for his daring as chaplain of the Fire Department, was found dead yesterday afternoon in the courtyard at the rear of the thirteen story office building at 70 Fifth avenue. It was believed he had fallen from the twelfth floor.

The body was identified at the Mercer street police station by A. W. Jeffrey, who has an office on the twelfth floor of the building. He said that Mr. Johnson, who has been an insurance agent of late years, was subject to hemorrhages. It was probable that Johnson was on his way to call at his office, Mr. Jeffrey said, and that, feeling an attack coming on, he had come to a hallway window to get a breath of fresh air, when the seizure came and he fell out.

Twenty years ago the romance of the brilliant curate with the Bellevue Hospital nurse with whom he eloped to Europe and later made his wife in preference to living with Miss Mabel van Rensselaer, whom he married in 1899, was on everyone's tongue.

One of the First Five Chaplains.

He was one of the first five chaplains appointed to the Fire Department, having been appointed by Fire Chief Bonner in 1899, after he had been ordained to the Protestant Episcopal ministry. As fire chaplain he performed many acts of heroism. He lived then in East Tenth street, and a fireman was assigned to hitch up his horse and buggy when alarms were sounded. Often he left church work to answer the emergency summons, and his marriage to Miss Van Rensselaer, which was one of the social events of 1899, was scarcely over at Grace Church when an alarm sounded and he hurried off to duty.

Mr. Johnson was the son of the Right Rev. Archdeacon Johnson of New Brighton, Staten Island. In the course of his duties as fire chaplain he visited frequently the Sturgis pavilion in Bellevue Hospital, where injured firemen were cared for. There he met Miss Mary Hoffman of San Francisco.

Following his marriage the curate and his bride, with her mother, Mrs. Alexander Van Rensselaer, went abroad, but several months later he returned alone and there were reports of an estrangement.

Resigns His Two Posts.

In the autumn of 1900 Mr. Johnson suddenly resigned from Grace Church, gave up his post in the Fire Department and sought seclusion at Watkins Glen, N. Y., where he was reported recuperating from overwork. Then followed a story of his mysterious disappearance and reports that he had been traced to Halifax, whence he had sailed for Europe with a woman, entered on the ship's register as "Mr. and Mrs. L. V. Montgomery."

In October, 1902, Mr. Johnson returned, bringing with him as his wife the Bellevue nurse, Miss Hoffman. They had a baby daughter. Miss Van Rensselaer during Mr. Johnson's absence had obtained a divorce.

A few months later formal announcement was made by Bishop Potter that Johnson had been dismissed from the ministry of the Protestant Episcopal Church at his own request. He and his wife and child went to live at Hackensack, and they lived quietly.

In 1909 the sensation was revived in connection with an action for \$50,000 damages which Johnson filed against John Purmy Mitchell and Gustav G. Galaher, then Commissioner of Accounts. Johnson had been employed by the Merchants Association to investigate the \$50,000,000 loan. The Mayor, recalled by ordering an investigation, which it was alleged, tended to incriminate Johnson in irregularities.

From that time Johnson dropped into obscurity, conducting a real estate and insurance business. During the war he served with the Department of Justice. He was 52 years of age. Recently he had been living at 96 Grove street.

\$367,000,000 CLAIMS FILED.

Americans Still Putting in War Claims Against Germany.

WASHINGTON, March 3.—Claims for war damages filed against Germany by American citizens were reported to the Senate to-day by President Wilson in response to a resolution of inquiry.

The principal losses as enumerated were \$60,000,000 for privately owned cargoes lost by submarine warfare, \$85,000,000 as losses in insurance companies and the Government's War Risk Bureau, and \$191,147,346 for American owned properties of various descriptions in Germany.

President's Health Greatly Improved

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., March 3.

PRESIDENT WILSON on the night before he leaves the White House is in better health than at any time within the last eighteen months. But he is in appearance a far different Woodrow Wilson than he was in the days of his prime, before his illness began in September, 1919.

Mr. Wilson is very gray, he is stooped; he walks with a cane, but very slowly. He is thinner and his face is worn and drawn. This is a decided improvement over his condition six months ago, when he was required to use a wheel chair at all times. Now he is able to go automobile riding and to attend the theatre.

His condition is such, however, that there is still the gravest danger of serious relapse if he should undergo any unusual excitement.

TWO SUBMARINES SEND CALL FOR AID

Message From O-7 Indicates Craft Is in Peril Off Fisher's Island.

O-8 IS REPORTED ASHORE

Coast Guard Is Standing By—One Radio Says, 'We Need Help at Once.'

Amateur wireless operators in New York last night picked up several radio messages stating that two United States submarines, the O-7 and O-8, are in need of assistance. According to the messages the O-8 is ashore between Pekingese and Gull Islands, in Buzzards Bay, but a Coast Guard cutter is standing alongside, and it was expected the craft would be floated this morning. The O-7 apparently is in greater danger. The last message picked up by wireless operators in which she was concerned was this:

"How long will it take for assistance? We need help at once."

Both messages were addressed to the New York Navy Yard and were relayed to the destroyer Gresham, which is anchored off Tompkinsville, Staten Island. The naval communications offices, which under ordinary circumstances would have information concerning government vessels in distress, said that no radio had been received from the submarines and that nothing was known there of their trouble excepting what had been told by the New York newspapers and the Associated Press.

At the New York Navy Yard in Brooklyn houses it was said that the O-7 was ashore on a reef off Fisher's Island, twenty miles from New London, Conn., and that she apparently was in bad shape. Advice received by the naval authorities said that she had struck the reef while navigating in a fog. The Navy Yard has sent the submarine a wireless message saying that Eagle Boat No. 32 from New London, and a tug from New York were on their way to assist her. The submarine replied early this morning that these two vessels would be able to furnish all the help needed unless a storm came up.

The O-8 appears to have gone ashore about a mile from the Cutchogue Coast Guard station in such a position that she could signal the station and obtain the aid of the Coast Guard cutter at once. All of the messages picked up from this submarine indicated that she is in no immediate danger and that she will be floated before morning and will be able to proceed to her destination under her own power.

BOARD SCORES I. M. M. PACT WITH BRITAIN

Report to Senate Calls It Inimicable to United States.

WASHINGTON, March 3.—The agreement between the International Mercantile Marine Corporation and the British Admiralty requiring the corporation to operate its ships without injury to British commerce is "inimicable" to the foreign commerce of the United States, the Shipping Board declared to-day in a report submitted to the Senate.

The report was in response to a resolution of inquiry, as a result of charges by Senator Jones of Washington, that the agreement was injurious to American shipping.

In reporting its findings after a hearing had been held on the charges the board declared the agreement to be "inimicable to and not in harmony with the policy of the United States with respect to the development of commerce and industry and at variance with both the letter and the spirit of the merchant marine act of 1920."

The corporation is directed to amend the agreement to exclude all vessels documented under the laws of the United States from the effects of the agreement, so that it would not apply to ships operated by the company at any time under the American flag.

MEDALS TO ALLIES' DEAD.

WASHINGTON, March 3.—The House adopted to-day a resolution authorizing that the Congressional Medal of Honor be conferred upon a British and a French soldier buried respectively in Westminster Abbey and at the foot of the Arch of Triumph in Paris.

NAVAL MEASURE DIES IN SENATE; UP NEXT SESSION

Poindexter Gives Up Fight and Admits Hopelessness of Efforts.

PUTS BLAME ON BORAH

Discussion Marked by Attack on Bill's Sponsor by Underwood.

SAW DEFEAT IN HOUSE

Leader of Filibuster Declares Battle Against Increased Fleet Will Continue.

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., March 3.

The naval bill carrying total appropriations of about \$488,000,000, including continuation of the 1916 naval building programme, went down to final defeat in the Senate to-day. Senator Poindexter, acting chairman of the Naval Affairs Committee, formally admitted the hopelessness of attempting further consideration when the Senate convened this morning, and all pretense of trying to pass it was abandoned.

He placed part of the blame for it on the House for failure to provide appropriations for an "adequate" navy, and said the other cause for defeat was the filibuster against it led by Senator Borah.

The bill included an authorization for the President to call a conference of the United States, Great Britain and Japan to discuss a naval holiday. Senator Borah's opposition has centered around the disarmament feature which finally was agreed on. Senator Borah's position has been in defiance of the recommendations of the Navy General Board and the Senate Naval Affairs Committee. He announced he would renew in the next session the fight for disarmament conferences and against capital ships.

"Not a dollar of this appropriation in the bill could be used until next July," Senator Borah said, "so there has been no interference with the bill. I have no intention of being disarmed without tremors for the future. The disarmament programme will be urged at the opening of the next session. The Senate has gone on record unanimously in favor of it. That itself is of tremendous importance in its psychological and moral effect."

Senator Poindexter will continue the fight for what he considers an adequate navy. It was admitted to-day that had the bill come to a vote in the Senate there would have been a large majority in favor of it. The House, however, had refused to accept the increase of the number of battleships, and the knowledge of which was one of Senator Poindexter's inducements to abandon the bill.

It is understood that the naval policy and the foreign policy of the next Administration are closely linked. Mr. Harding has asked for a great navy programme.

A feature of the discussion to-day was a scathing attack by Senator Underwood, a minority leader, on the alleged lack of leadership displayed by Senator Poindexter in handling the bill. He sarcastically said the Senator "might learn from experience that he could get nowhere by abusing those opposed to him," that he had "displayed a lamentable lack of tact."

Senator Poindexter had accused Mr. Underwood of being willing to kill the Sundry Civil bill, with the appropriation of nearly \$200,000,000 for the care of wounded soldiers, because he could not get through the \$100,000,000 appropriation for Muscle Shoals. This Senator Underwood denied, and insisted that "failure of the soldier appropriation would be a crime for which the Republicans would be responsible."

Senators Simmons (N. C.), Swanson (Va.), Pomeroy (Ohio) and several others made speeches, mostly in favor of a large navy.

RECEIVER IS NAMED FOR IMBRIE & CO.

Action Is Taken to Preserve Large Assets.

On the petition of creditors receivers were appointed yesterday by Judge Martin T. Manton in the United States District Court for the firm of Imbrie & Co., bankers and dealers in securities of 61 Broadway. Attorneys for the firm filed a consent to the receivership and the court named John B. Johnston and Theodore Smith receivers, with a joint bond of \$50,000.

Undisputed securities and a shortage of cash and liquid assets formed the basis of the court action, inaugurated by the Beaver Board Company, for whom Imbrie & Co. had negotiated an issue of \$5,000,000 of bonds.

The petition filed recites that the liabilities of the defendant corporation on December 31, 1920, were \$1,181,000 and the assets \$1,350,000. The equity petition recites that the defendant corporation is short of cash or other liquid assets to meet maturing obligations and that a large part of its securities is pledged with local banks. It further states that while the assets have not been impaired since January 1, forced liquidation would depress the value of these securities and loss might ensue to the creditors and to the depositors in the firm's banking department.

Members of the defendant firm are James Imbrie, William Morris Imbrie, Cogswell C. Trapp, Charles C. West, David T. Wells, Waldo S. Kendall and William Minot. The only member of Imbrie & Co. who is a member of the New York Stock Exchange is William Morris Imbrie, who was admitted to membership August 31, 1920.

White Sulphur Springs—The Greenbrier for rest and recuperation. Bookings Place—Adm.

CAPITAL ALL READY FOR INAUGURAL DAY; WILSON UPSETS PLAN

Naval Appropriation Is Only Supply Bill to Fail

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., March 4.

ON the eve of final adjournment Congress has to its credit a better record for the approval of supply bills than has been made during any session since the Republicans lost control of the Government in 1912.

With the exception of the naval appropriation bill and the sundry civil appropriation bill, which was blocked because of a disagreement over an item of \$10,000,000 for the nitrate plant at Muscle Shoals, all the supply bills had been approved.

Early this morning the Senate and House adopted the \$883,000,000 sundry civil bill without the Muscle Shoals appropriation. Among bills finally approved which will await signature by the President before the hour of noon to-morrow, are an appropriation of \$18,500,000 to provide new hospitals and improve old ones for world war veterans; another establishing fourteen re-education bureaus throughout the country to administer the war risk insurance law, and the bill for Federal regulation of cold storage products.

Fair and Cold To-day

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., March 3.

THE weather in Washington to-morrow will be fair and cold, with fresh northerly winds. The temperature will be near freezing in the morning.

WILSON AND COLBY TO PRACTICE LAW

President and His Secretary Will Open Offices Here and in Washington.

CHANCE TO BOOM LEAGUE

Wilson Will Be in Position to Direct Fight and Confer With National Legislators.

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., March 3.

President Wilson's last day in the White House was enlivened by the wholly unexpected announcement that as soon as he can have a single painted he will engage in the practice of law in partnership with his Secretary of State, Bainbridge Colby. They are to have offices in Washington and New York and do a general law business, devoting much of their attention, of course, to international law.

The announcement brought to mind the fact that Mr. Wilson practised law a long time ago, although he dropped it as a vocation for college work. He hung out a shingle in Atlanta after graduation in 1881 from the University of Virginia; after two years' practice, with the indifferent success customary for a young lawyer, he went to Johns Hopkins for a post-graduate course, practising to some extent in the Baltimore courts. Following this, however, Mr. Wilson went into college work, becoming a professor in history and political economy.

Just to what extent Mr. Wilson will engage in the practice of law, naturally is a matter of speculation, but it was assumed that his work would be more of an advisory character. His long experience in dealing with public questions of course would make him valuable in such a way, although it is doubted if he would attempt the argument of cases in court.

Certain of the President's close friends expressed the view that his real purpose was to keep from retiring from public notice, that he wanted an office where he could be in the transaction of business which interested him rather than attempt to do this work at home.

Mr. Wilson's chief interest, now as always, is in international affairs, and one thing he wants to accomplish is American participation in the League of Nations, as provided by the Treaty of Versailles. With a law office in Washington, where he will remain most of the time, he can confer with public men, such as members of the Senate and the House, and can work for the League of Nations, which he hopes in the end will be accepted by the United States.

The last day in the White House was a busy one. Mr. Wilson passed the morning and early afternoon at his desk signing countless bills and resolutions, and then went for an automobile ride, returning in time to receive the President-elect and Mrs. Harding at tea. The emergency tariff bill was vetoed in the morning.

Desks at the White House are clear of work for the incoming administration. The staff remained on duty late, filing away papers in pending cases and arranging matters as well as possible. Mr. Tumulty, secretary to the President, will have his own law office in Washington.

PRINCESS ANASTASIA BETTER.

ATHENS, March 3.—The condition of Princess Anastasia, wife of Prince Christopher of Greece, who has been suffering from stomach trouble for some time past, was more encouraging last night. The pain had subsided, the pulse had improved and her temperature had lessened.

Princess Anastasia was formerly Mrs. William H. Leeds of New York. She was married to Prince Christopher in Sutherland after a divorce in 1920.

Exclusive photographs of inauguration day scenes, rushed by airplane, will be published in The Sun the same day they are taken. Look to-day—Adm.